l system.

CHAIRMAN WILSON: So you don't see a positive catalytic effect within the catalyst for either CO or hydrocarbon, only for manganese?

MR. WILKINS: It just about -- there's a slight -- as you'll see in the data, there's a slight, slight positive for CO but very slight and for hydrocarbons, the catalyst has no effect on efficiency, either positive or negative for hydrocarbons.

CHAIRMAN WILSON: What work have you done on the - to analyze the effect of -- over the -- you ran many tests
up to 75 thousand miles, what have you done to look at the
effect of the additive on the durability of the catalyst?
Have you done catalyst analyses?

MR. WILKINS: We have done very little on the catalyst analyses themselves. The key part of the study that we think is the most important is that we do not see any adverse emission effects, rather positive effects.

In the real world, driving these 48 cars and comparing these, we see the positive effects on the emissions at the tailpipe.

We will -- we have looked at the surface of a few of the catalysts. Most of them are still on the cars. And we see no evidence of any plugging and the back pressure measurements that we made, which are part of our waiver, catalysts.

CHAIRMAN WILSON: To your knowledge, has the auto
industry found problems with the use in Canada?

MR. WILKINS: I'm sorry?

CHAIRMAN WILSON: I'm asking whether to your

demonstrate there is no back pressure problems with the

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knowledge the auto industry found problems with the use of MMT in Canada.

MR. WILKINS: As far as we can tell, there is no evidence that there are any more problems with the United States -- in Canada then there are in the United States.

That is, there are occasional catalysts that plug, there are occasional catalysts that get too hot and are destroyed, both in the United States and in Canada. To our knowledge, there's no evidence that the situation is worse in Canada than it is in the United States.

CHAIRMAN WILSON: Have you discussed your data with auto industry and they're satisfied with your --

MR. WILKINS: In great detail. You have to understand that this is the first time they're really seen the significant effects of this product. The very positive effects of this.

This sophisticated study really gave us the opportunity to conclusively demonstrate the positive effects on the tailpipe. These are new facts for them. They are material

1	they need to understand and we're confident by the time they
2	get done looking at this that they're going to be favorably
3	disposed towards the use of this product in gasoline.
4	As with anything new, there is obviously so resistance
5	initially but the positive effects on long-term on their
6	emission systems should outweigh any negatives.
7	CHAIRMAN WILSON: Similarly, I guess that while
8	the I guess on the issue of the slight hydrocarbon
9	increase, given all the activity both within EPA and within
10	Congress, the view of the urban smog problems, even little
11	bits of hydrocarbon seem hard to find sometimes.
12	Again, why why is it a good idea for us to accept a
13	product that even though it may be small, results in
14	hydrocarbon increases?
15	MR. WILKINS: We think that there's every
16	indication that if Hi Tec 3000 is used, the aromatic portion
17	of the gasoline can be reduced and we think that will
18	eliminate the hydrocarbon increase.
19	CHAIRMAN WILSON: There are other octane
20	enhancers, boosters, such as oxygenates that could achieve
21	the same result of lowering aromatics as well.
22	MR. WILKINS: But I think it's a balance. I
23	believe some of those have emission problems, too, don't
24	they? Ethanol, maybe?

CHAIRMAN WILSON: Well, as I've mentioned earlier,

- hardly anybody comes to us with an issue that's all pros. I

 just -- that's why I was asking.
- MR. WILKINS: And I hope you won't forget the 20

 per cent NOx reduction that the Hi Tec 3000 gives and if you

 look at our tests, the measured emission of the three

 pollutants was down almost eight per cent. If you look at

 total emissions.

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- MS. SMITH: You indicated in your application that a small percentage of the manganese comes out of the tailpipe. Exactly where is the manganese depositing in the vehicle, the catalyst or where else?
 - DR. TER HAAR: Balancing a tailpipe and an exhaust system and a muffler and a catalyst and an exhaust system is a very difficult thing to do. There is certainly evidence, both from the catalytic effect and from examination of the exhaust system that there's particular manganese on -- a very fine coating on the surface of the exhaust system.

Apparently that's where the product is. Remember, over the lifetime of the car, we only use four ounces of manganese. Over the total lifetime of the car. A drop per gallon. So there's a very small amount of material in the -- used through the lifetime of the car.

The evidence is that the amount coming out of the tailpipe in the relatively large number of cars we looked at is very low level and its exact distribution throughout the

- automobile would, I'm sure, depend on the particular
 automobile and that has not been totally defined.
- MS. SMITH: There is some that suggests that there
 may be some deposition in the combustion chamber. Would you
 agree or disagree with that?
- DR. TER HAAR: I would think there would be some deposition in the combustion chamber, a very small amount.

- MS. SMITH: Is it the deposition in the catalyst or the deposition in the combustion chamber that causes the HC impact?
 - DR. TER HAAR: Certainly it's not in the catalyst because there's no effect on the catalyst on efficiency.

 The science there is not perfect. Not everyone understands why there's a slight increase in hydrocarbons coming out.
 - Those like me with lots of experience in this area think it's a trace of solids in the combustion chamber but it also might be related to modification combustion temperature because the additive was present there. A slight slowing of the flame or something like that but my prejudice is it's probably a trace of solid but that's by no means positive.
 - MS. SMITH: You indicate in your application that there might be -- there would be higher manganese emissions for older cars than for the newer cars and when you did your modeling in terms of total impact of manganese coming out of

1	the tailpipe in terms of atmospheric concentrations, which
2 .	vehicles did you use, older or newer cars?
3	DR. TER HAAR: The numbers I was talking to you
4	about today were using the cars that we used in this
5	particular program and these were the newer cars.
6	MS. SMITH: Have you done any calculations taking
7	into account the vehicle the distribution of vehicle age
8	out there?
9	DR. TER HAAR: We have done previous work on that
10	and could submit that to you for your consideration.
11	MS. SMITH: That might be helpful.
12	DR. TER HAAR: All right.
13	MS. SMITH: Ford presented a paper a while back
14	talking a little bit about depositions in catalysts and
15	plugging. There's another manufacturer who has expressed
16	concerns about these are Canadian catalysts
17	depositions in catalysts and plugging. Could you comment on
18	the Ford paper?
19	DR. TER HAAR: The Ford paper really talks about
20	what they would call micro plugging. That is, not plugging
21	on the surface of the catalyst. If you've ever examined
22	one, it looks like a honeycomb on the front. The paper
23	addresses the concept that there might be a reduction in
24	efficiency because of plugging in the micro pores on the

surface of the catalyst.

What they have done there is use a laboratory technique to try to simulate the real world and that laboratory technique suggests a reduction of efficiency of the catalyst because of the use of the product.

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I believe you need to look at the data in the real world with three million miles of driving saying there is no effect from -- on the catalyst. There is no reduction in efficiency, indeed, there's an appreciable improvement of efficiency. A clear cut improvement in efficiency because of the use of the catalyst. I believe one has to question whether the laboratory technique they used simulates the real world.

MS. SMITH: Have you looked at any Canadian catalysts in terms of decreased efficiency?

DR. TER HAAR: Well, we mention the Petro-Canada study. We don't have the details of that. The initial reactions we get from that, that that's doing well.

MS. SMITH: You indicated that MMT would be used to basically reformulate gasoline and it would be a different formula than probably what you used in your test program since you used clear fuel and then added MMT.

Would you see the same NOx and CO impacts if you reformulate the gasoline as opposed to just adding MMT to present gasolines?

DR. TER HAAR: We have submitted some of that

- 1 information in the appendices.
- 2 MR. BROWNELL: That information is in Appendix 6.
- 3 DR. TER HAAR: And it shows the same kind of
- 4 reductions for reformulated gasoline.
- 5 MR. BROWNELL: I'm sorry. That's Appendix 4.
- 6 MS. SMITH: Regarding ambient concentrations in
- 7 Canada, I think Canada has about a tenth of the vehicle
- 8 population of the United States, would that therefore impact
- 9 your predictions of what ambient concentrations would be
- 10 like in the U.S.?
- 11 DR. TER HAAR: I don't think so because the place
- we're looking is in the cities. In cities like Toronto they
- have high concentrations of cars like cities in the United
- 14 States.
- They have far larger open areas but as you know, the
- 16 concentrations in air are very much a function of the
- 17 source, in this case the automobile engine or in the case of
- 18 Canada, as is pretty clear from the data up there, from
- 19 point sources are what are actually giving you that baseline
- 20 concentration.
- I would expect that the situation in Canada for its
- large cities is not going to be significantly different from
- 23 the United States.
- MS. SMITH: You raised -- this is more of a legal
- 25 question. You raised in your application the fact that we

shouldn't be looking at potential future standards when

considering waiver requests and cited ... I believe way back

a couple of years ago for support.

I question that analysis. First of all, the case doesn't specifically look at that issue, as to whether or not you ought to use present or future day standards since there were no future standards in 1985 and you point to a provision in the statute that says — and a discussion in that case in which it talks about the waiver provision looks at first introduction of fuels and in another subsection, 211, looks at what happens if you discover something about a fuel after it's been introduced.

I don't know if that necessarily then leads you to conclude that you shouldn't be looking at future emission standards in this waiver proceeding.

MR. BROWNELL: If you'd like us to comment, we recognize that there's some ambiguity in the statutory provision. We'll give you our view of what it says, but recognizing the ambiguity, we did go forward and do the additional analysis that looked to the future standards so that you would have that before you when you reviewed the application.

MS. SMITH: Okay.

MS. GILHOOLEY: I may follow up on some of the questions about the interpretation here. I noticed in your

presentation that you stressed that MMT is environmentally safe and causes no health and environmental problems and in your petition as well you've stressed that it wouldn't have any adverse health effects, including with respect to the manganese.

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I take it you agree then that the health and welfare issues are relevant to EPA's decision on the waiver request, including the effect of manganese.

DR. TER HAAR: We believe that the primary standard, of course, is whether the additive will cause or contribute to the failure of a vehicle to meet emission standards for which they are certified but recognizing the agency's broad discretion and the overall purposes of the Act, to balance the public health, welfare attached to the agency, we view public health as something you will be interested in and therefore addressed it in the application.

MS. GILHOOLEY: And that it's relevant in the waiver?

DR. TER HAAR: At least as a secondary, through the purpose section in there.

MS. GILHOOLEY: I remember from EDF's comments, they also were saying that they didn't think there was enough data to decide some of the public health issues on manganese. I take it that if EPA agreed that more data was really needed before you could make a responsible decision

on the public health effects, would this be as well
something that EPA should take into account in exercising
its discretion in granting a waiver?

DR. TER HAAR: Well, of course we believe that there are adequate data on health to make a decision but from the standpoint of legal relevance, we agree that health has some relevance and that your consideration of the adequacy of the data should play a role, be it secondary, in reviewing the waiver application.

The way we view the standard, the principle issue you need to be considering is whether it causes or contributes to a failure. As a secondary matter, making sure your decision complies with the overall objectives of the Act, you should be balancing the public health, welfare and productive capacity of the nation in making you decision and we believe of course that all of the research done on the public health issue in the United States, Canada and elsewhere strongly supports our claim that the reductions in criteria pollutants and aromatics are really the important health ... going on.

MS. SMITH: That would be one element.

MR. ATKINSON: I have a few questions, if I may. As a follow up to the reformulated gasoline questions that where asked a few minutes ago, chart number eight in your presentation has some information on reformulated gasoline

l and your additive.

The question I have is can you describe to me the recipe that you used in calling this reformulated gasoline and in doing the comparison, did you, for example, normalize for octane, go in and try to say, okay, this is what future gasoline is going to be with and without this additive.

This additive may enable the refiners to lower octane by a certain amount and if you did that, I'd like to know what those numbers were.

DR. TER HAAR: That's more complicated than I can just talk off the top of my head and that's discussed in detail in Appendix 4.

Basically, I do know we were -- the goal was towards balanced octane but to see the effect of the aromatics, I think we made a more dramatic reduction in aromatics than probably might occur in the real world.

MR. ATKINSON: So this was not a similar situation that you did with your 48 car test where you had essentially the same fuel except in one you added so much MMT?

DR. TER HAAR: Yes. Yes. Yes. What we did was we had a -- the difference was in the fuel, we lowered the aromatics, we put the Hi Tec 3000 in that fuel so we have a fuel with higher aromatics plus the oxygenate and a fuel with lower aromatics plus the oxygenate plus the manganese additive. That's the way the studies are.

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1	MR. ATKINSON: Okay. Could you comment on the
2	impact to the consumer on the cost of gasoline? How many
3	pennies a gallon or fractions of a penny per gallon will he
4	perhaps be able to save if this waiver were approved, all
5	things else being equal?
6	DR. TER HAAR: I wouldn't want to get into that.
7	That's getting into our customer's pricing. I would not
8	think it would be significant. I should not be more
9	expensive.
10	MR. ATKINSON: Okay. From what we've been hearing
11	this morning, I'd be kind of surprised if it is more
12	expensive.
13	One more question. Touching on environmental
14	accumulation of manganese. The question I had asked in
15	earlier testimony regarding the vitamins and bananas and so
16	forth, it would seem on the surface that if all is true as
17	you presented here and is an accurate representation of
18	what's actually going on in the world, that a very small
19	increase in manganese does not appear to have adverse health
20	effects associated with it.
21	Taking the reformulated gasoline route then, we could
22	maybe extract 3/6ths, some small percentage of benzine out
23	and we are very certain that benzine has very detrimental
24	health effects, carcinogen.

That level of detail seems to indicate that this is a

positive trade off but with the -- the answer I got back this morning when I asked a similar question was that -- would imply that the benzine would deteriorate in the environment and wouldn't accumulate whereas a metal like manganese would. Could you comment on that, please?

DR. TER HAAR: Well, first of all I don't think your question ever got answered on whether it was safe to take your vitamin pill or not. I think you're safe to take your vitamin pill.

On the accumulation in the environment, we could go through a mathematical thing for you on that here. You're all interested in that. I think it would be appropriate for us to add that into our written comments.

I could only say, just to put it sort of into prospective, we have a thousand parts per million in the soil, the concentration is .03 grams per gallon in the gasoline and I think just a little back of the envelop would quickly convince you that if there's a micro gram or two added to the soil over a long, long time, that would be a high number in this calculation and considering the variations in soil concentrations and indeed roadside, right at the roadside concentrations, those would be very small changes compared to that which was present. Very small indeed.

But we certainly can give you a -- run through the

mathematics for you on that because it's a simple matter of running through -- as was asked earlier, have you looked at that regarding an exhaust system that might have been on an older car, the same kind of concept there, we can do the calculation for you. The concept, I assure you, the data, will come out showing very, very trivial additions to the soil.

MR. ATKINSON: Thank you.

MS. SMITH: Ms. Silbergeld suggested this morning that yes, EPA should take into account other factors and impacts on emissions and in addition she suggested on the health end of things that it was Ethyl's burden to show that there were no health impacts. Could you comment on that?

MR. BROWNELL: As the applicant, we feel that we've come forward and met the burden -- the basic burden based on the research that's been done in the United States and Canada and elsewhere to show that these very small levels of manganese don't really have any health effects.

I think it would be fair to say from a legal standpoint because we see health as having some secondary relevance in a proceeding such as this that we would agree that we would have at least the burden of coming forward and making the case with respect to health and that is what we've attempted to do in the waiver application and Appendix 8 to the application and will continue to do in responding to

1 comments from the group today.

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DR. TER HAAR: I'd add one comment to that. As a person working in health, when one asks us to carry the burden, to prove a negative, to prove it couldn't happen, as we, as scientists know, that is impossible.

We can only take the data we have and say those data teach us that it doesn't happen under all the studies that have gone on before.

MS. GILHOOLEY: If I might ask a question which is really in the health area, is my recollection of EDF's testimony in response to a question in terms of this overall assessment of the effects of MMT, there was a comment that the cumulative effects of heavy metals were much worse than sort of the ambient, temporary effects of benefits that might come from reductions in other pollutants.

Did you have any comment on that, like that the health effects of manganese, because they're cumulative and heavy metal would be worse and would outweigh maybe the benefits that would come from these reductions in other pollutants.

DR. TER HAAR: Well, first of all, the airborne pollutants that we have there right now, the EPA, the federal government, the Congress has discerned that those are a problem and feels they are an immediate health effect or I don't believe we'd be spending all this money to lower those things so those things are considered very important

l right now.

We're going to spend, as a nation, incredible sums of money to reach those goals. The concentration build up in the environment is so small compared to the concentrations that are present in the environment, Dr. Silbergeld would delight in trying to relate this to another metal.

I suggest that that parallel is totally inappropriate with this essential element, with the very large concentrations in the diet, very high concentrations in the soil, vitamins and so forth. The parallels are not appropriate.

MR. KORTUM: I have three questions. The first one is if there was -- your argument about minimizing the effect of a slight hydrocarbon increase depends a lot on replacement of aromatics and therefore a decrease in ... of hydrocarbons and ultimately maybe a decrease or a wash, at least, in terms of ozone in your modeling.

If there was a regulatory limit set on aromatics, isn't it true that the use of MMT as an octane enhancer would really be replacing other octane enhancers such as MTBE or something like that?

DR. TER HAAR: I don't think so because the refiner -- as was pointed out earlier this morning -- the refiner is just going to be struggling for octane wherever he can get it.

He not only faces a lower aromatic content in the gasoline, he faces a lower front end -- they want to low boilers out, he feels it's probable the high boilers will be removed, all of which have tremendous octane capacity.

The refiner will be struggling to meet his octane goals and this product is important and it will allow him to do that.

MR. KORTUM: My second question is the -- I guess from an engineering standpoint, given the things that are happening over a long-term to the emissions, both the decreases and the slight increase you've seen, from an engineering standpoint I guess what you'd like to do is open up the catalyst and take a look at that sort of invasive type of testing. Do you have any plans for that?

DR. TER HAAR: It's worthwhile to take a look and I'm sure we will do that and as we talked to one of the oil companies, be careful what you do with these because once you take them apart, you can't put them back together so we will look very carefully and get much advice before we do anything with these very valuable systems that we have here.

But even if we look at these, the only things those will show us is from a scientific interest, why it happened the way it did. The actual facts are best done by long driving to demonstrate that the effect occurs.

It's good to run studies that are quick and can predict

something but in the end, the long, on the road study tells you that the effect is positive.

Certainly, it's going to be intriguing to understand better why the nitrogen oxide catalytic effect occurs as it does and perhaps if we knew more about it we could make it even better. But right now the most important thing is that it works.

MR. KORTUM: I guess from a standpoint of looking a future technology it might be very helpful to understand the mechanisms --

DR. TER HAAR: Correct.

MR. KORTUM: -- to try and make some prediction about what effect this has.

DR. TER HAAR: Correct. Correct. We're looking forward -- I'm looking forward to working with the automobile industry and getting their advice on what things would be usefully done with those catalysts. I'm also looking for any input the EPA or any other group of experts might have on what they think might be useful to do with some of those catalysts.

I'd like nothing better than to convene a group of people and say let's look at these further and understand what happened in these. At the same time, right now I'm focusing on the study that we've had here and studying these results and presenting these results today.

MR. KORTUM: My last question, in our notice we suggested that if MMT became present in all gasoline or a large bulk of the gasoline in this country that the change would probably have to be reflected in the composition of certain ... fuel. Do you agree with that or have any comments about it?

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MR. WILKINS: We don't have any comments. That's within the EPA's judgement, I think, to decide.

CHAIRMAN WILSON: I think that's all the questions we have today. Thank you very much for your testimony and for the careful way in which both your application and the testimony today have been prepared.

Also, thanks to all the other witnesses, again for the thought and care that went into the testimony that we've heard today. As I said, unfortunately, none of these are ever easy. They're never only all pros so we're going to be in a process of trying to judge this application over the next several weeks.

We encourage written comments on the waiver application and on today's presentations. I'm sure there are a number of people who didn't appear today that have interests in this issue, obviously two major industries that would be effected are here today testifying but hopefully will present us their views in a written presentations.

The comment period for this waiver application ends on

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1	July 22nd and the statutory deadline, as I mentioned in the
2	opening, for the final decision is November 5, 1990.
3	Again, thanks to everybody for taking the time and care
4	to come and share your information with us today. Thank you
5	very much.
6	MR. KORTUM: Can I just add that if you'd like to
7	purchase a copy of the transcript you should see the Court
8	Reporter who is sitting right down here.
9	(Whereupon, the hearing in the above-referenced
10	matter was adjourned at 12:15 p.m.)
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REPORTER'S CERTIFICATE

This is to certify that the attached proceedings before U.S. ENVIRONMENTAL PROTECTION AGENCY

in the matter of: HEARING ON ETHYL CORPORATION FUEL WAIVER APPLICATION

were held as herein appears and that this is the original transcript thereof for the file of the Department or Commission.

Official Reporter

DATE: June 22, 1990